

**GOVERNMENT OF INDIA
CIVIL AVIATION
LOK SABHA**

UNSTARRED QUESTION NO:4806

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MRO Facilities for Aviation Sector

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Will the Minister of CIVIL AVIATION be pleased to state:

- (a) whether Maintenance, Repair and Overhaul (MRO) for the civil aviation sector of the country has not been able to keep pace with the ever growing sector and lack of such facilities is reportedly forcing airline operators to take their planes to other countries causing business and foreign exchange losses;
- (b) if so, the details of existing MRO facilities in the country and the reaction of Government thereto;
- (c) the steps taken by the Government to enhance MRO facilities for airlines and increase the business potentials, employment generation and foreign exchange earning of the country;
- (d) the details of spending by various airlines on MRO of aircraft in the country and the percentage of expenses on MRO from abroad; and
- (e) the initiatives taken by the Government so far to make the country an MRO hub of Asia?

Answer

Minister of State in the Ministry of CIVIL AVIATION

(Shri Jayant Sinha)

(a): Adequate facilities for Maintenance and Repair of planes are available in the country. However, for Overhaul, only limited facility is available. Therefore, operators are taking their planes to other countries for overhaul only.;

(b) to (e): There are 110 Maintenance, Repair & Overhaul (MRO"s) approved in India (Appendix-"A") of which only 07 are capable of carrying out overhaul of planes, which is listed at Appendix-"B". To increase the business potentials, employment generation and foreign exchange earning of the country, following provisions have been made in the Budget announcements for 2016-17 :

i) The tools and tool-kits used by the MRO have been exempted from Customs duty. The exemption shall be given on the basis of list the tools and tool kits certified by the Directorate General of Civil Aviation (DGCA) approved Quality Managers of aircraft maintenance organisations.

ii) MROs were required to provide proof of their requirements of parts, or orders from their client airlines. The process for the clearance of the parts has been brought in line with that of the tool kits for a one time certification by DGCA approved Quality Managers in MRO"s.

iii) To enable economies of scale, the restriction of one year for utilization of duty free parts has been extended to three years.

iv) To allow import of unserviceable parts including aircraft components like engines and landing gears by MROs for providing exchange / advance exchange, the concerned notification has been revised to enable advance export of serviceable parts.

v) Foreign aircraft brought to India for MRO work will be allowed to stay for the entire period of maintenance or up to 6 months, whichever is lesser, provided it undertakes no commercial flights during the stay period. The aircraft may, however, carry passengers in the flights at the beginning and end of the stay period in India. For stay beyond 6 months, DGCA"s permission will be required. However, with regard to spending by various airlines on MRO of aircraft in the country and percentage of expenses on MRO from abroad, no such record is maintained by this Ministry, as it is a financial matter of an airline, in which this Ministry does not interfere.